

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 PM-05
SP-02 SS-15 INRE-00 NSCE-00 SSO-00 TRSE-00 OMB-01
/059 W

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O R 111328Z APR 78

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC IMMEDIATE 2414

INFO MEMBASSY LONDON 5885

AMEMBASSY PARIS

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E.O. 1165 N/A

TAGS: EAIR, NL

SUBJECT: DUTCH DENY PAN AM BUDGET FARE APPLICATION - COMMENT

REF: A) THE HAGUE 1969; B) STATE 91740KNOTAL)

1. WE ARE SEEKING AN EARLY APPOINTMENT WITH FOREIGN MINISTRY TRANSPORT ADVISER NIEUWENHUIJSEN TO MAKE POINTS REFTEL B AND SEEK FORMAL EXPLANATION OF REASONING BEHIND DUTCH DENIAL.
2. IN TELEPHONE CONVERSATION APRIL 11 WITH CIVIL AVIATION SERVICE OFFICIAL SCHREUK, WE ASKED FOR THE LANGUAGE IN ARTICLE 6 (A) ON WHICH STATE SECRETARY SMIT BASED HER DECISION. SCHREURS WAS UNABLE TO SAY. IN RESPONSE TO OUR SPECIFIC QUESTION WHETHER MRS. SMIT WAS REFERRING TO THE CLAUSES ALLOWING GOVERNMENTAL INTERVENTION TO PREVENT "PREDATORY OR DISCRIMINATORY PRACTICES" OR TO PROTECT "CONSUMERS FROM THE ABUSE OF MONOPOLY POWER," HE SAID NO. INSTEAD SCHREURS SEEMED TO BE CLAIMING THAT ARTICLE 6 (A) WAS SUBJECT TO IATA REGULATIONS, EVEN THOUGH IATA IS CURRENTLY IN AN OPEN FARE SITUATION.

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3. PAN AM AND KLM HAVE ISSUED SEPARATE PUBLIC STATEMENTS (SEPTEL). BOTH AIRLINES HAVE ACCEPTED SCHREURS' INVITATION TO TALK WITH HIM APRIL 13.

4. COMMENT: THE CIVIL AVIATION SERVICE IS DISTINCTLY UNCOMFORTABLE. ANOTHER CIVIL AVIATION SERVICE OFFICIAL, R. TROOST TOLD US SHORTLY AFTER HIS RETURN FROM THE WASHINGTON TALKS IN

MARCH THAT THE GOVERNMENT WOULD BE UNDER GREAT PRESSURE TO ACCEPT VIRTUALLY AXFARE APPLICATION FROM PAN AM AND THAT HE HOPED THEREFORE THAT PAN AM WOULD NOT BE UNREASONABLE. THE AIRLINE'S PROPOSED FARE OF \$148AMSTERDAM-NEW YORK APPARENTLY WAS MORE THAN THE DUTCH COULD SWALLOW, AT LEAST AT THE RATE OF 2.20 GUILDERS TO THE DOLLAR USED BY PAN AM. CUCOUSLY, KLM'S APRIL 7 APPLICATION APPEARS TO HAVE BEEN SUBMITTED AT MOST ONLY ONE DAY BEFORE MRS. SMIT MADE HER DECISION, SINCE A RQORTER LEARNED FROM MRS. SMIT APRIL 8 THAT A LETTER DENYING BOTH PAN AM'S AND KLM'S FILINGS WAS ON HER DESK FOR SIGNATURE AT THAT MOMFT. THE FACT THAT KLM HAD SUBMITTED AN APPLICATION FOR A SIMILAR LOW FARE WHICH COULD BE REJECTED AT THE SAME TIME WAS A CONVENIENT COINCIDNCE, MAKING IT POSSIBLE FOR MRS. SMIT TO APPEAR EVEN-HANDED.

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Message Attributes

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Concepts: BUDGETS, AIR FARES
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Copy: SINGLE
Draft Date: 11 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation History:
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Review Content Flags:
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